- Special report: Rx operations survey

PHARMACY

Chain Rx dept. performance hits jackpot

By Joe Caputo, R.Ph.

NEW YORK—Chain drug pharmacy departments are enjoying a banner year, with continued growth in script count, increased dollar volume, higher gross margins and greater pharmacist productivity, according to *Drug Store News'* latest national pharmacy survey.

The survey, completed last month, drew responses from drug chains operating 2,246 pharmacy departments.

The results clearly indicate the pharmacy's key role in overall sales performance. In virtually every area measured, prescription departments emerged as winners. For example:

- Scripts dispensed per hour of operation increased to 9.8 from 9.4 in 1982, and scripts filled weekly per pharmacist rose to 360 from 348.
- Dollar volume per hour of operation reached a total of $104 from $92 in 1982, and dollar sales per pharmacist increased to $3,823 per week from $3,408.
- Sales per square foot rose to $1,093 from $982 last year.

Increases were also chalked up in the average cost of prescription department inventory (up $2,450); turnover hit a new high of 7.4 times a year, and the size of the average department increased to 382 sq. ft.

The survey also found a substantial increase in the percentage of pharmaceuticals shipped directly to chain warehouses or stores—seven percentage points to 77%.

In addition, the salary of the average chain pharmacist increased by more than $4,000 to $31,337, exclusive of bonus and benefits. Staffing remained unchanged, however. The average pharmacy department now employs 2.1 pharmacists and 1.5 technicians. Hours of operation declined slightly to 77.2 per week from 77.4.

Other facts that emerged from the study include the following.

- Overall pharmacy sales increased 12% to $417,461 per outlet.
- Annual script count rose 3% to an average of 39,270 per department.
- Average retail script price increased 84¢ to $10.63.
- Gross margin for the department now averages 35.5%, a gain of 0.1 of a percentage point.

Rx department productivity rises

	1982	1983*
Scripts/hour of operation	9.44	9.79
Scripts/pharmacist/week	348	360
$ Volume/hour of operation	$92.46	$103.99
$ Volume/pharmacist/week	$3,407.66	$3,822.90
$ Volume/Sq. Ft.	$981.83	$1,092.83

*Projected for full year

Source: *Drug Store News* survey

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NUTS—EVERYTHING THEY'RE

Health conscious consumers view nuts as a fun and tasty way to meet their nutritional needs.

Due to reduced export opportunities, United States growers of tree nuts placed extra emphasis on domestic promotions of several major varieties last year.

The results seemed to pay off, as per capita consumption of tree-grown nuts topped the 2-lb. mark for the first time ever. Consumption increases were greatest last year for almonds, filberts and macadamias.

Whether in their pure form or blended into a variety of snacks, tree grown nuts are being included in the diets of more American consumers than ever before.

Almonds and walnuts are among the primary ingredients used in a large assortment of prepackaged trail mixes and other snacks sold in the natural departments of many chain drug stores. Because they are wholesome, nutritious, easy to consume and crunchy, they are being commonly substituted for more conventional snacks, such as candy bars and

Blue Diamond®—the world's best-selling line-up of almond snacks!

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potato chips.

Nuts can be easily stored without chemical preservatives, and are therefore especially popular with today's health conscious consumer. Because they are perceived as being healthful foods, almonds, walnuts and other varieties enhance the nutritional image of drug store natural product departments.

According to the Almond and Walnut Boards of California, nuts contain a variety of essential vitamins and minerals, including vitamins E, A and C, magnesium, calcium, copper, phosphorous and riboflavin. Many of these are precisely the same nutrients consumers believe they are lacking in their daily diets.

Although they have a year-round appeal in natural product centers, tree grown nuts are especially popular with consumers during major religious and national holidays. Drug store retailers across the country have used mass displays, often with self-serve scoop bins, to satisfy the impulse nature of nut sales preceding the Thanksgiving, Christmas and Easter holidays.

Per capita consumption
Pounds

Crop Year	Almonds	Filberts	Pecans	Walnuts	Macadamias	Other	Total
1970	.34	.06	.36	.38	.020	.60	1.76
1971	.37	.07	.38	.42	.021	.62	1.88
1972	.36	.07	.38	.39	.019	.72	1.94
1973	.26	.10	.36	.40	.017	.57	1.71
1974	.26	.05	.34	.43	.023	.45	1.55
1975	.35	.08	.33	.52	.025	.61	1.91
1976	.42	.08	.29	.52	.026	.56	1.89
1977	.45	.07	.31	.51	.027	.33	1.70
1978	.40	.08	.33	.39	.028	.47	1.70
1979	.37	.04	.40	.48	.036	.41	1.73
1980	.42	.05	.38	.50	.044	.33	1.72
1981	.51	.05	.38	.49	.044	.33	1.80
1982	.59	.06	.40	.46	.047	.47	2.03

Source: Almond Board of California

ing program in the business. So make a little room in your store for a big new profit center.

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NATURAL CENTERS SPUR VITAMIN SALES GROWTH

Recognizing their success in drug stores, supermarkets and mass merchandisers are expanding vitamin departments to attract increased sales.

Most major drug store merchandise departments have at least one product category that serves as an anchor.

In natural departments, that category is without doubt, vitamins.

With annual retail sales of nutritional supplements (primarily vitamins) estimated at $2.6 billion last year, this category has long been a traditional drug store commodity. But it's only in recent years that mass market retailers, such as K mart, Sears and even 7-Eleven have moved decisively to create, and then capture, a larger segment of this growing business.

The $2.6 billion figure represents a 6% increase over vitamin sales through all retail outlets in 1981 according to the Council for Responsible Nutrition, a trade association representing manufacturers of vitamins, minerals and other food supplements. Vitamin sales in 1981 were 17% ahead of the prior year.

Whether the decline in the growth rate indicates a maturing industry is uncertain. As one health foods distributor commented, "only 50% of the population today is taking vitamins. Therefore, every 1 per cent increase represents a substantial amount of business for retailers."

Based upon research from various sources, the CRN estimates that vitamins account for the lion's share of the nutritional supplement market with $2.23 billion in sales last year. Minerals accounted for $250 million in retail sales; protein supplements (powders and tablets) $105 million, and other categories $10 million.

In the vitamin segment of the business, multiples accounted for an estimated 39% of all sales, followed by vitamin C with 22%; vitamin E with 16%; B-complex vitamins with 18%, and all others, 5%.

While chain drug and other mass merchandise outlets account for the bulk (31%) of all nutritional supplement sales, their share slipped by one percentage point last year, while that of supermarkets grew by two points to 16%. The share of supplement sales through health food stores increased last year by 1% to 28% of the market.

Natural product departments in supermarkets, drug store and other mass merchandise stores accounted for a significant portion of the growth last year in vitamin, mineral and other supplement sales.

Supplement sales in supermarket natural product departments grew to $136 million in 1981, and then jumped another 40% last

Continued on next page

CHANNELS OF DISTRIBUTION FOR VITAMINS/SUPPLEMENTS

1982/1981 $MM

Source: Center for Responsible Nutrition, June 1983.

BOOKS, MAGAZINES KEEP CUSTOMERS INFORMED

With most mass market natural departments operated on a selfservice basis, books and magazines can be effective tools in helping to educate consumers.

Although their locations are often not as convenient as those of chain drug stores, health food stores do hold a definite edge in their ability to educate consumers about the products on their shelves.

In fact, this prompt, personalized service is perhaps the key factor separating the pure health food store from the mass market seller of natural products. In keeping with their self-service formats, most drug retailers have kept special staffing of their natural products departments to a minimum. Often, these savings are passed along to consumers in lower prices.

Many chains use specialized books, magazines and in-store informational aids as a low cost way to educate consumers about natural products.

SupeRx, which has attributed its initial problems with natural foods to an uneducated consumer, has included 4-8 ft. book and magazine sections in dozens of its larger nutrition centers.

Consumer magazines, of course, not only help educate customers about health

related issues and products. They also promote, often with cents-off coupons, many of the products featured in natural product departments. In drug stores, pharmacists will often refer a customer with specific questions to a book or magazine.

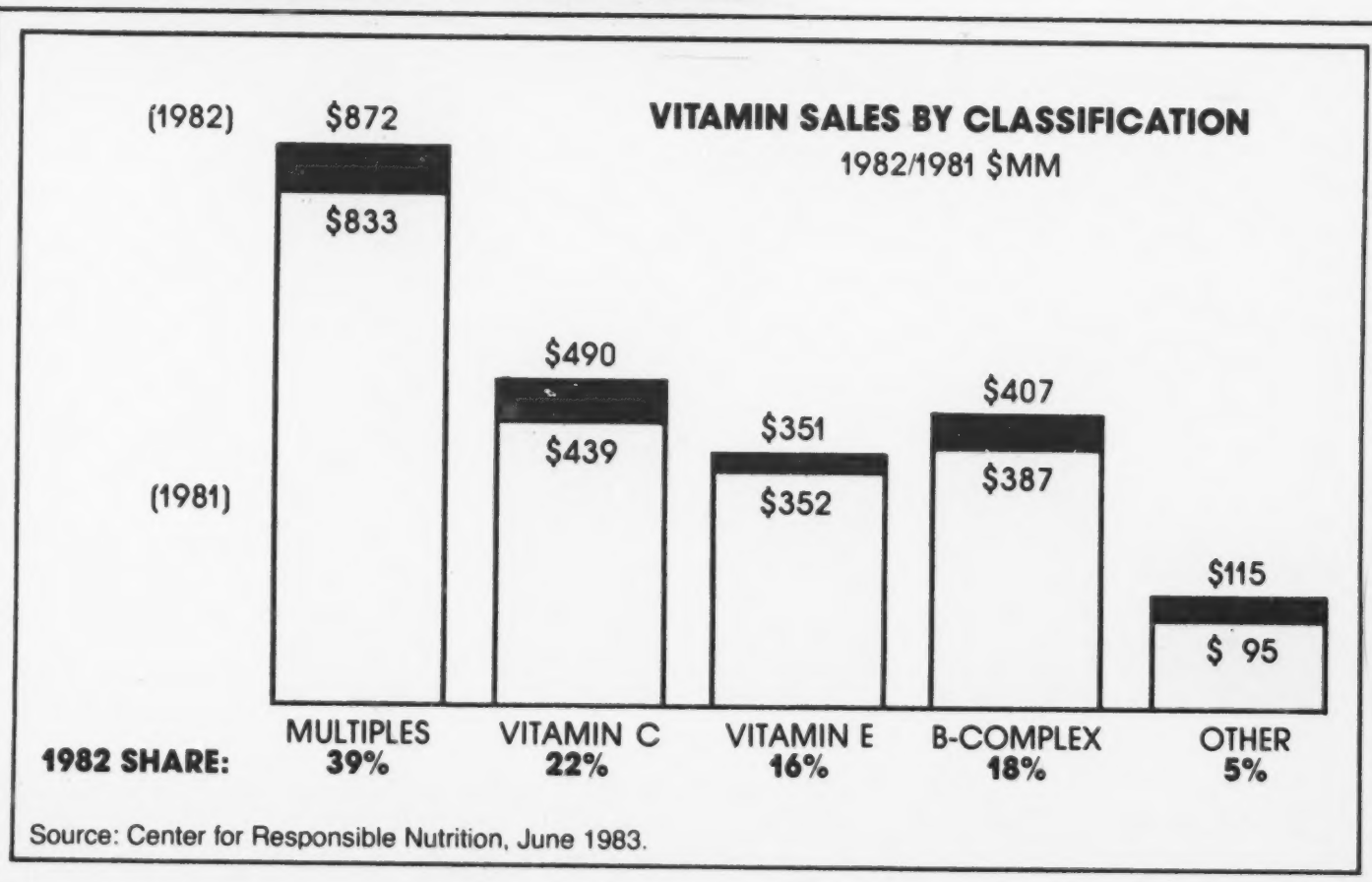
Prevention, the leading consumer publication in the health products industry, is currently expanding its newsstand program to attract a larger number of nonsubscription readers. Radio spots are being used in key metropolitan areas such as Los Angeles, to inform customers that Prevention is now available at their neighborhood food or drug store.

NATURAL DEPTS: $250M IN VITAMIN SALES

Continued from previous page

year to $190 million last year. Natural product departments in drug and other mass merchandise outlets generated $26 million in supplement sales in 1981 and $52 million (a 100% increase) in 1982.

Much of this increase, of course, represents products that were traditionally carried only by health food stores. Naturite, a California-based manufacturer, has emerged as a key supplier of natural vitamins to natural product departments in drug stores.



Source: Center for Responsible Nutrition, June 1983.

WHO'S DOING WHAT WITH NATURAL PRODUCTS

Company Name and Location	Total # Stores	No. of Stores w/ Natural Depts.	Size of Typical Natural Dept.	Snacks/ Foods	Vitamins/ Minerals	Hair & Skin Care	Beverage/ Herbal Teas	Books & Magazines	Color Cosmetics	Natural Private Label
Adams Drug Pawtucket, R.I.	450	Some products carried in line, all stores	—	Yes	Yes	Yes	Yes	Yes	No	Vitamins
Eckerd Drug Clearwater, Fla.	1,260	Some products carried in line, all stores	—	Yes	Yes	Yes	Yes	Yes	Yes	Vitamins
Fay's Drug Liverpool, N.Y.	98	14 (test stores)	40 linear feet	Yes	Yes	Yes	Yes	Yes	No	Vitamins
Genovese Drug Melville, N.Y.	66	6	40 linear feet	Yes	Yes	Yes	Yes	Yes	No	Vitamins
Gray Drug Fair Cleveland, Ohio	401	12 (test stores)	28-32 linear feet	Yes	Yes	Yes	No	No	Yes	Vitamins
Guild Drug Los Angeles, Calif.	9	7	20-40 linear feet	Yes	Yes	Yes	Yes	Yes	Yes	Vitamins
Happy Harry's Newark, Del.	15	Plans under way for 2 test units	—	Yes	Yes	Yes	No	In-line	Under review	Vitamins
Jewel Cos. Chicago, Ill.	300	8 Buttrey's combos 3 Osco Drug	20 linear feet	Yes	Yes	Yes	Yes	No	Yes	Vitamins
Keltsch Drug Fort Wayne, Ind.	10	3	16-36 linear feet	Yes	Yes	Yes	Yes	Yes	No	Vitamins
Lewis Drug Sioux Falls, S.D.	5	4	20-28 linear feet	Yes	Yes	Yes	Yes	Yes	No	No
Long s Drug Walnut Creek, Calif.	170	Some products carried in line, all stores	—	Yes	Yes	Yes	Yes	In-line	Yes	Vitamins
Medi Mart Quincy, Mass.	50	12	24-36 linear feet	Yes	Yes	Yes	Yes	Yes	Yes	Vitamins
PayLess Northwest Wilsonville, Ore.	145	Some products carried in line, all stores	8-12 linear feet	Yes	Yes	Yes	Yes	No	Yes	Vitamins
Pay 'n Save Seattle, Wash.	140	Some products carried in line, all stores	—	No	Yes	Yes	No	Yes	No	Vitamins
Peoples Drug Alexandria, Va.	560	New 12 ft. depts. for 250 stores under review	12 linear feet	Yes	Yes	Yes	Yes	In-line	No	Vitamins
Perry Drug Pontiac, Mich.	116	6	32-36 linear feet	Yes	Yes	Yes	Yes	Some units	No	Vitamins
Revco Drug Twinsburg, Ohio	1,700	Some products carried in line, all stores	—	Yes	Yes	Yes	No	In-line	Yes	Vitamins
Rite-Aid Drug Shiremanstown, Pa.	1,097	Some products carried in line, all stores	—	No	Yes	Yes	No	No	No	Vitamins
Snyder Drug Hopkins, Minn.	195	55 corp. stores; 72 franchised units	16-28 linear feet	Yes	Yes	Yes	Yes	Some units	No	Vitamins
SupeRx Drug Cincinnati, Ohio	535	200 expanded depts; 300 special endcaps	32-40 feet; 4 feet	Yes	Yes	Yes	Yes	Some units	Yes	Vitamins
Thrift Drug Pittsburgh, Pa.	360	Some products carried in line, all stores	—	Yes	Yes	Yes	No	In-line	No	Vitamins
Thrifty Drug Los Angeles, Calif.	533	Some products carried in line, all stores	—	Yes	Yes	Yes	Yes	In-line	Yes	Vitamins
Thornburg Drug Syracuse, Ind.	6	6	16-20 linear feet	Yes	Yes	Yes	Yes	Some units	No	No
Walgreens Drug Deerfield, Ill.	944	Some products carried in line, all stores	—	Yes	Yes	No	No	No	Yes	Vitamins

PHARMACY

- Special report: Rx operations survey

Productivity and script counts gain

	1982	1983*	% Growth '83/'82
Scripts/hour of operation	9.4	9.8	+4%
Scripts/pharmacist week	348	360	+3
Total scripts filled annually	38,010	39,272	+3
New	20,635	21,295	+3
Refill	17,375	17,977	+3

*Projected for full year
Source: *Drug Store News* survey

Chain Rx dept. productivity gains 4% over last year

NEW YORK—Chain drug stores are chalking up healthy productivity gains in their pharmacy departments this year, with the number of scripts dispensed per pharmacist/technician hour advancing nearly 4% over 1982 to 10.

The productivity gain is also reflected in the number of scripts dispensed weekly per pharmacist—up 3% to 360 this year, according to *Drug Store News'* latest national pharmacy survey.

With these increases, the average chain pharmacy department is now dispensing a total of 755 scripts per week, compared to 731 in 1982.

The survey clearly indicates two reasons for the productivity gains: computerization and lower pharmacist turnover.

According to the study, companies with the highest degree of computerization are the ones reporting the greatest productivity gains. This trend is likely to continue in 1984 as chains increase their commitment to pharmacy computers in an effort to score efficiency gains in third-party prescription processing and price updates, among other things.

The survey also shows that reduced pharmacist turnover in the recessionary environment has added to productivity, as more experienced professions dispense scripts with greater efficiency.

To a lesser extent, the productivity increases can be linked to a slight decline in pharmacy operational hours—to 77.2 per week this year from 77.4 in 1982—coupled with no gain in the number of pharmacists/technicians employed.

At the same time, the average pharmacist's salary, less bonuses and benefits, has advanced more than $4,000 to $31,337 this year. The payroll increase is cutting into the gains in operating profit margins.

Overall, the average chain pharmacy will dispense an estimated 39,272 scripts in 1983, a gain of 1,262 over last year's results. Of those, 21,295 are new prescriptions (up 3%) and 17,977 are refills (also up 3%).

The growth in total scripts continues the trend established in previous *Drug Store News* pharmacy surveys. For example, from 1980 to 1981 the number of scripts filled by the average pharmacy department rose 2,300. In the following year—a period marked by numerous product introductions—the increase was 3,700.

The average chain pharmacy department now dispenses 755 scripts per week compared to 731 last year.

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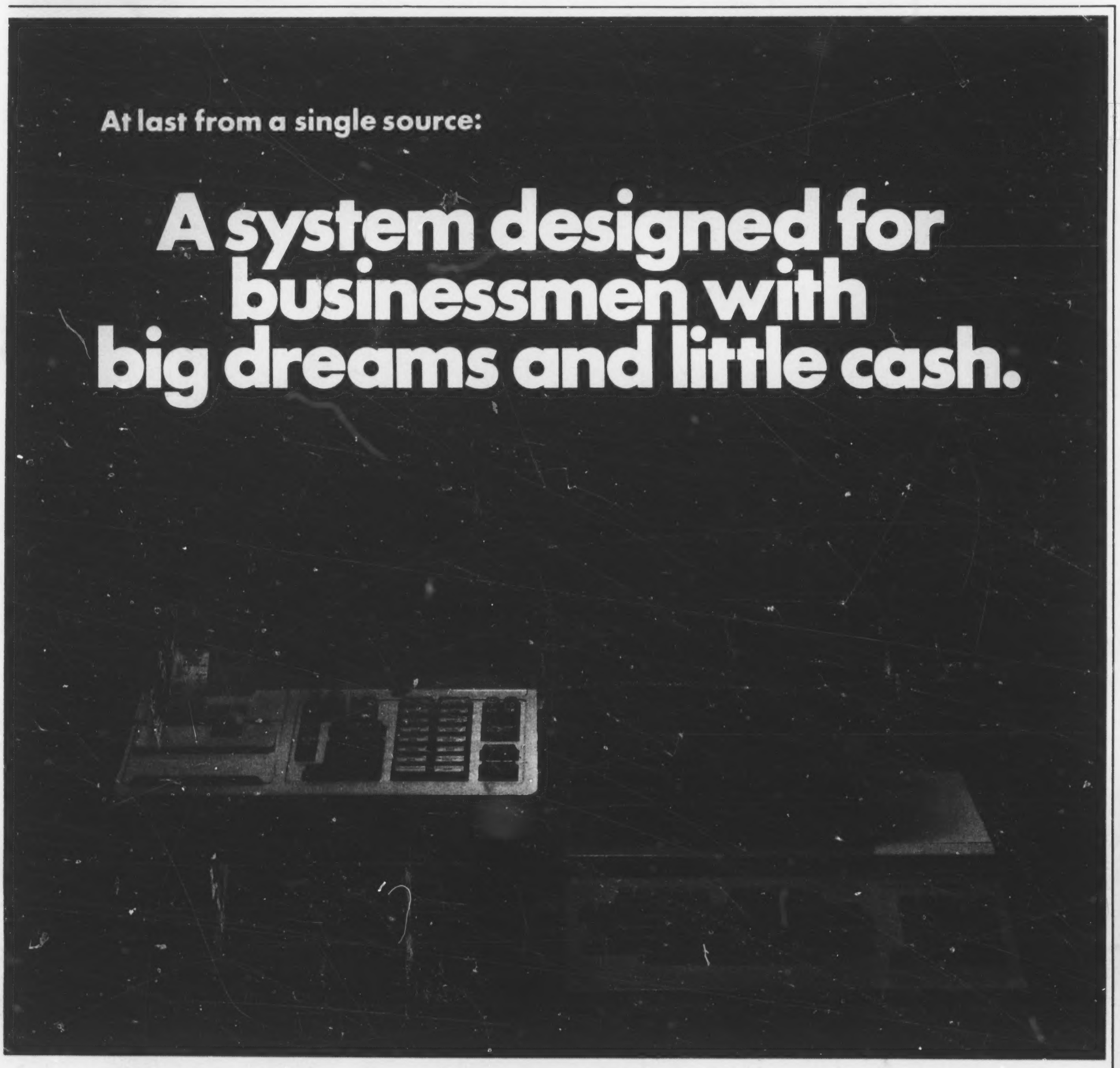

In the past, if you wanted to buy a powerful computer system for your retail business, you had to dig down and come up with a big chunk of cash. Or you had to run around and buy each component separately, which meant if anything went wrong with your system, you had to run around some more to try and get it fixed.

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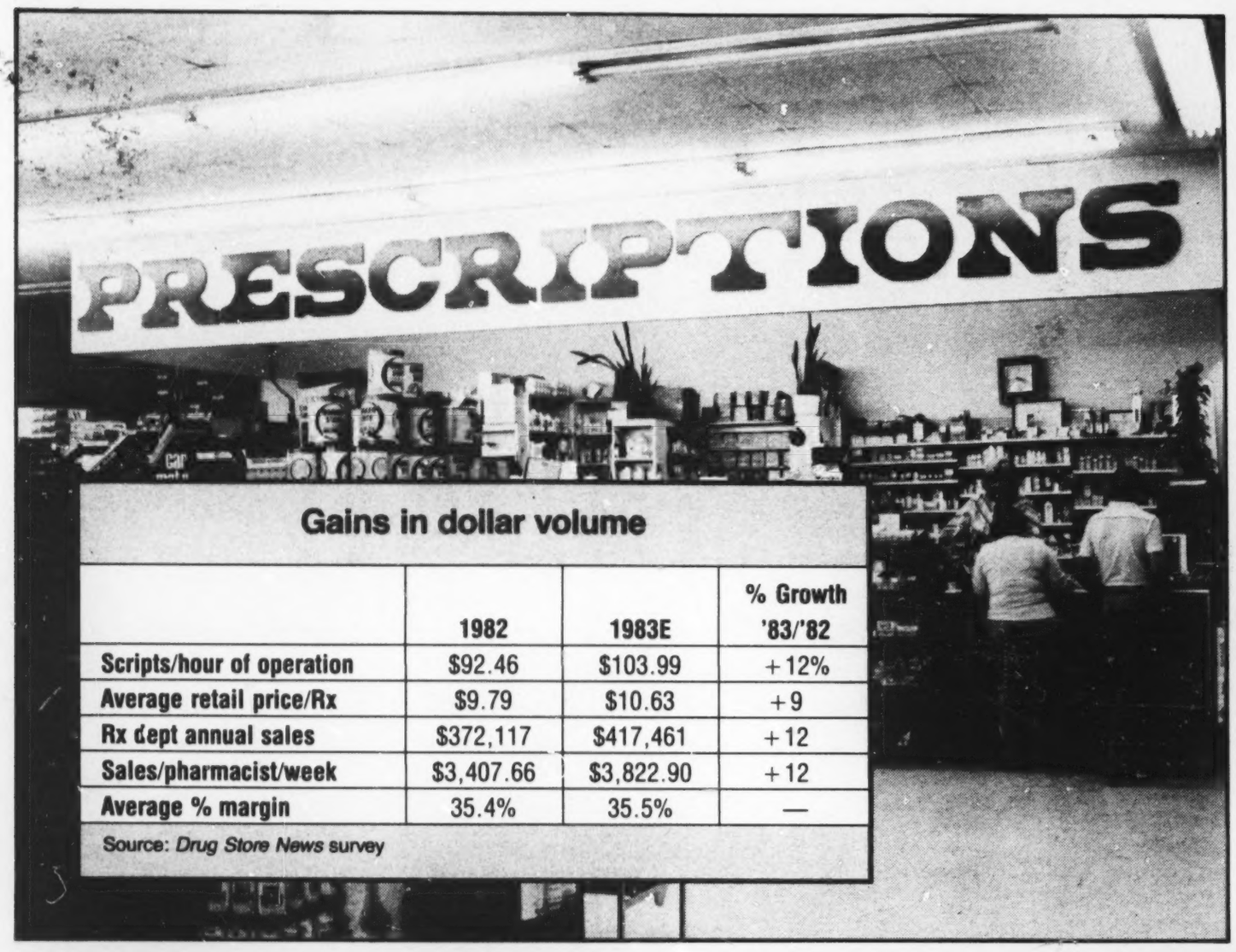

Gains in dollar volume

	1982	1983E	% Growth '83/'82
Scripts/hour of operation	$92.46	$103.99	+12%
Average retail price/Rx	$9.79	$10.63	+9
Rx dept annual sales	$372,117	$417,461	+12
Sales/pharmacist/week	$3,407.66	$3,822.90	+12
Average % margin	35.4%	35.5%	—

Source: *Drug Store News* survey

Rx productivity, script price gains boost sales 12%

NEW YORK—Pharmacy sales increased 12% in the average chain pharmacy this year, reflecting productivity gains as well as increases in the price of an average script, according to *Drug Store News*' annual pharmacy survey.

The survey shows that the typical chain pharmacy is ringing up $104 in average hourly sales, $11.53 higher than in 1982.

Most of the gain stems from script price increases, as newer, more expensive drugs find their way into the department's product mix. Script prices climbed 9% to an estimated $10.63 from $9.79 last year.

The 9% advance in script retail price combined with a 3% gain in number of scripts resulted in the 12% gain reported by the average chain pharmacy department.

Overall, the survey shows that the typical chain pharmacy is generating $417,461 on an annual basis, a year-to-year gain of $45,344. Sales per pharmacist are also up 12%, to $3,823.

Sales per square foot jumped sharply in the average pharmacy department this year, according to the survey. Despite a small increase in average square footage, the typical pharmacy is generating $1,093 per square foot, an increase of $111 since last year.

Average gross margin remains relatively constant this year at 35.5%, compared to 35.4% in 1982. After retailers pay for the cost of merchandise sold, funds available for expenses and operating profits are estimated at $148,200, significantly greater than the $131,730 available in 1982.

It is predicted by some industry sources that 1983 will prove to be another banner year for pharmacy, but only if chains can keep the growth of expenses at a level equaling inflation or below it. In addition, they say, new products must continue to be launched regularly.

Dampening their enthusiasm, however, is the lid on reimbursement for third-party scripts. They point out that costly new drugs are increasing inventory values, but fixed fees are cutting margins for third-party scripts.

If third-party business continues to grow without any increase in dispensing fees, they say, it will mean a further erosion of return on investment in the prescription department.

Automatic tablet counters such as the one shown here and computers have helped boost productivity in chain pharmacies. According to a *Drug Store News* survey, overall script volume increased 3%.

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Computers, Rxmen trim inventories, up turns

NEW YORK—Inventory represents the prime asset managed by pharmacists, and *Drug Store News*' annual survey reveals they are doing a first-rate job of managing that asset. Turnover is up and inventory as a percentage of sales is down.

But pharmacists don't deserve all the credit. Pharmacy computers have also contributed heavily to inventory control.

Despite the increase in the cost of the average pharmacy's inventory—$36,000 today compared to $33,550 in 1982—pharmacies have been able to increase annual stock turnover to 7.4 times from 7 times a year ago.

Moreover, the cost of inventory as a percentage of sales has dropped to 8.8% from 9.2% in 1982.

Inventory management results would be even better were it not for significant pharmaceutical price increases as well as the addition of newer, more expensive drugs, both of which contributed to higher inventory valuation.

Productivity of pharmacists at selected chain drug companies

		1982	1983
Firms highly computerized			
Chain X	Rx/Hr.	11.0	11.4
	Rx/pharmacist/day	65	67
Chain Y	Rx/Hr.	11.3	11.1
	Rx/pharmacist/day*	39	42
Chain Z	Rx/Hr.	12.1	12.3
	Rx/pharmacist/day	72	74
Firms with a limited number of computers			
Chain A	Rx/Hr.	7.6	7.8
	Rx/pharmacist/day	42	49
Chain B	Rx/Hr.	8.9	9.1
	Rx/pharmacist/day	44	45
Chain C	Rx/Hr.	7.0	7.4
	Rx/pharmacist/day	43	46

*This chain's average number of pharmacists/prescription is above the industry average.

Source: *Drug Store News* survey

Distribution of pharmaceuticals from manufacturers to chains has also undergone a shift in the past several years, according to the survey. Increasingly, products are being shipped to chain warehouses

From 1982 to 1983, for example, the percentage of pharmaceuticals shipped direct to chain warehouses or stores increased to 77% from 70% in the previous year, while the proportion supplied by wholesalers declined to 23% from 30%.

With the exception of small- to medium-sized chains and selected chains on the West Coast, it now appears that a large percentage of pharmaceuticals on chain retailers' shelves are being shipped outside the traditional wholesaler channel.

Other surveys indirectly confirm this, reporting that warehousing chains operate stores with a lower cost of goods sold and higher gross margins than those without a big warehousing commitment.

The most recent NACDS Lilly Digest, for example, notes that stores using a central warehouse tend to post higher net profits than those that do not.

Operations study shows salary rise

NEW YORK—The salary of the average chain drug pharmacist has increased a hefty 16% this year, rising to $31,337 from $27,120 in 1982.

This is one of the main findings of *Drug Store News* latest national survey of chain drug pharmacy operations.

Other findings include the following:

- The typical chain pharmacy employs 2.1 pharmacists and 1.5 technicians, substantially unchanged from 1982.
- The department remains open 77.2 hours per week, down from 77.4 in 1982.
- Each pharmacist generates sales of $198,791 per year.
- The average pharmacy's sales yield $70,791 in gross margin dollars per pharmacist.

Although the average pharmacist's salary nationwide is $31,337 a year, the survey shows wide regional variations in pay. For example, pharmacists working on the West Coast are paid at a level well above the national average—as much as $33,500. Those practicing in the Midwest receive substantially less on the whole—as low as $24,500, in some instances.

While retail pharmacists' starting salaries are relatively high, previous *Drug Store News* surveys have found that pharmacists tend to become disillusioned with the profession, and once experience is gained they tend to move into other fields. However, another study of 1981 graduates shows a higher degree of satisfaction with the profession.

Pharmacists' salaries up 16%

	1982	1983*
Pharmacist salary exclusive of bonus and fringe benefits	$27,120	$31,337
Number of pharmacists/dept.	2.1	2.1
Number of techs/dept.	1.5	1.5
Sales volume/pharmacist	$177,199	$198,791
Dollar margin/pharmacist	$62,728	$70,571
Hours/week dept. operational	77.4	77.2

*Projected for full year

Source: *Drug Store News* survey

Dunn to head N.J. Rx board

NEWARK—The New Jersey State Board of Pharmacy has elected Elaine Dunn as its president. She is the first woman to hold the post.

Dunn has been a community pharmacist at Steven Drug in West Long Branch since 1977.

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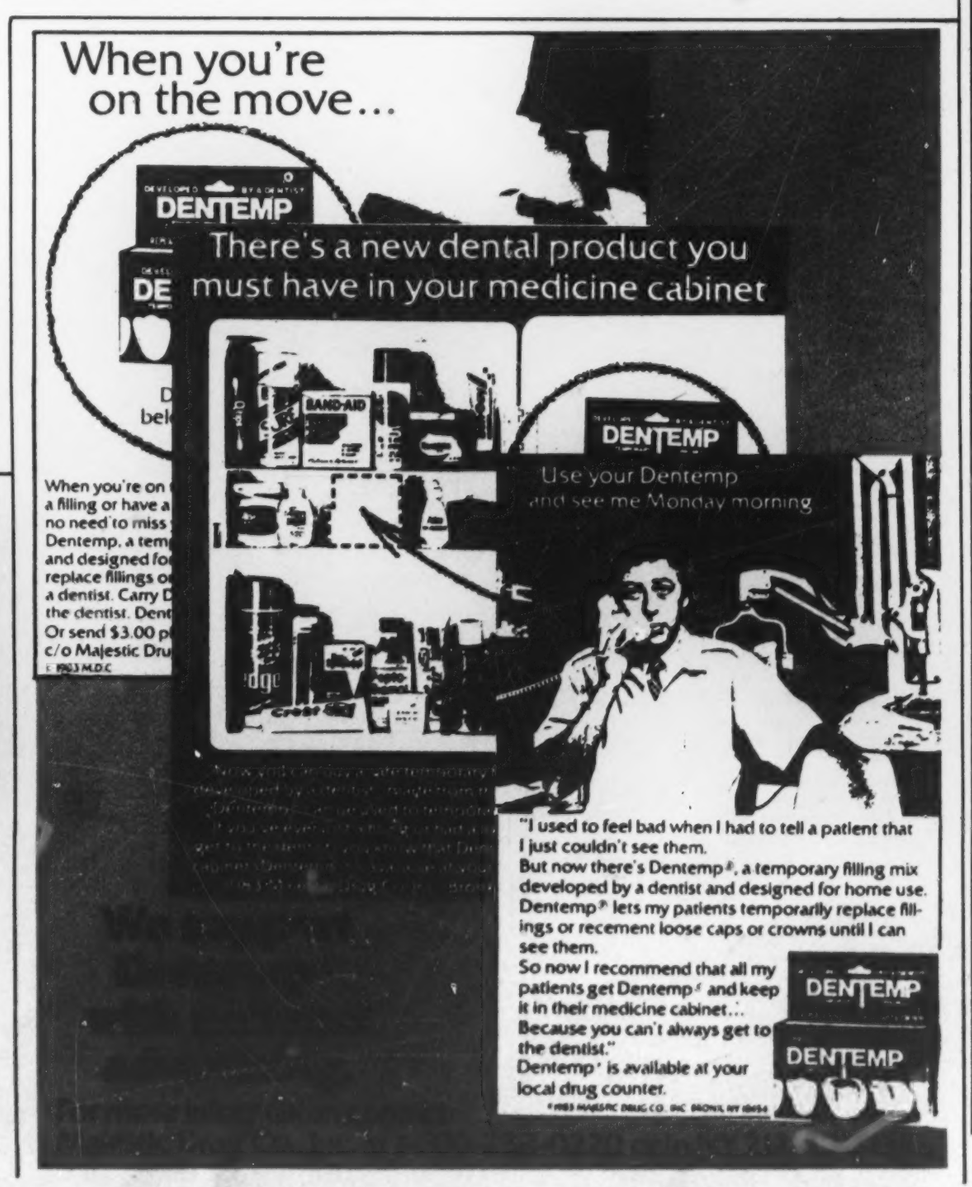
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℞ Gray's Livon on Rx-to-OTC switches—p.12

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Sunglass recovery seen—p. 29

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DRUG STORE NEWS

Vol. 5 No. 25/Incorporating CHAIN STORE AGE Drug Magazine Published by Lebhar-Friedman Inc./November 28, 1983

Julian Levin, cosmetic supervisor at Giant, applies lip gloss for a shopper on grand opening day at the chain's neon-lighted cosmetic department.

Hook aims for 30 new home health care units

By Faye Brookman

INDIANAPOLIS—Hook Drug is revving up for a major expansion of its freestanding home health care centers, with projections calling for the addition of 30 units by the end of 1986.

This month, the 289-store chain launched its 10th home health care center, a 6,200-sq.-ft. unit located in Whitehall, Ohio. It was the fourth Hook's Convalescent Aids and Sickroom Supplies store to open in the Buckeye State. The others are in the chain's home state of Indiana.

Hook's, which opened its first center in Fort Wayne, Ind., in 1977 at a drug store site not performing up to chain standards, has targeted expansion of convalescent aid units as one of its primary goals. Last year, the chain appointed Jim Caldwell to the newly created position of assistant vp-health care services specifically to oversee the development of the stores.

The chain's emphasis on convalescent aid centers enacted in 1982 by chairman and president J. Douglas Reeves as a remedy for an ailing financial condition (the chain's earnings dropped 20% that year) has paid off. Net earnings for the first nine months of this year soared 66.7% to $5.6 million.

An aging population coupled with gross margins of 35% and up has made the convalescent aids business attractive to retailers like Hook, who see it as a natural extension of their traditional health care image.

And, despite intially high investments, chains including Walgreens, Eckerd, Begley, Rite Aid and Peoples have jumped into the $2 billion to $2.5 billion home health care

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Poised for expansion

Genovese beefs up management

By Jim Ricchiuti

MELVILLE, N.Y.—The addition of Al Wilent, vp of merchandising at Longs Drug Stores, to Genovese Drug Stores as vp and director of merchandising is expected to round out the chain's senior management team and improve its overall merchandising operations.

Genovese, which has grown at a rapid pace in recent years, has not been considered top heavy in management. Some industry observers see the arrival of Wilent as a means of taking some of the workload off the chain's other top executives, many of whom have seen their responsibilities multiply as Genovese has evolved into one of the dominant chains in the New York Metropolitan Area.

Wilent, who will join Genovese in January, is expected to beef up the chain's purchasing activities and help coordinate purchasing with advertising. In addition, his arrival will help free up Paul Stanton, senior vp of sales and merchandising, to get involved more with merchandising and operations at the store level.

Genovese also moved to strengthen itself in the area of personnel administration. At the same time that Wilent will join the company, J. Robert McCarthy, formerly director of personnel for Belk Store Services Inc. in New York, will assume responsibilities as vp and

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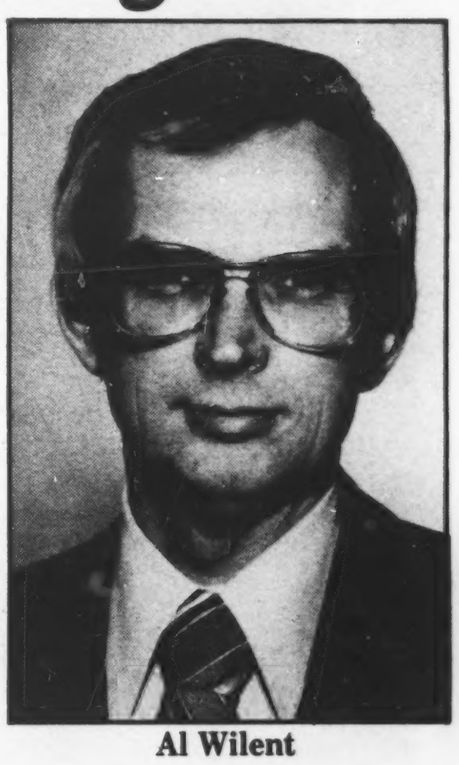

Al Wilent

Giant's new prototype: 60,000-sq.-ft. combo

By Joe Caputo

ROCKVILLE, Md.—Giant opened its largest store here, a 60,000-sq.-ft. "flagship" food/drug combo that will be used as an experimental prototype for outlets now on the drawing boards.

Opened earlier this month, the new 24-hour store continues Giant's trend of replacing smaller stores with combos larger than 40,000 sq. ft. Of the chain's 132 stores in the Washington-Baltimore metro area, 75 are combos. One of the keys to Giant's dynamic growth has been its commitment to combos.

"Our future stores will be planned around the successful launch of the Rockville unit, but we'll make modifications," said Barry F. Scher, director of public affairs. "Most new stores' merchandise mix will vary somewhat, and the units will be

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Pneumo sets 4-yr. growth plan at Carls

By Allen Mundth

BOSTON—For the first time since acquiring Carls Drug nearly four years ago, the Pneumo Corp. has announced plans for an accelerated expansion program that will add up to five new stores per year to the 36-store upstate New York chain.

The announcement was made less than two weeks after the chain's president for the last two years, Larry Padgett, resigned. Until a replacement for Padgett is announced, the drug stores are being managed by Ronald K. Williamson, senior vp for Pneumo's retail (food and drug stores) division.

Corporate spokesman Walter Rogers said the expansion pro-

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Purity Supreme stalks New England market with 9th Heartland deep discount drug unit

The new Heartland prototype outside of Hartford, Conn., contains among other departments, a large discount book section.

By Jim Ricchiuti

BERLIN, Conn.—Purity Supreme, the Massachusetts-based supermarket chain, has taken a major step toward garnering a larger share of the New England deep discount drug market with the opening of its ninth Heartland Drug discount store here.

Since 1979, the food and drug retailer, which also operates 14 Pharmacity Drug Stores, has been quietly opening Heartland Drug units in Massachusetts, Maine and now Connecticut.

The new prototype is a dramatic departure from the other eight Heartland Drug discount stores, which typically average 11,000 sq. ft. The Berlin prototype is a sprawling 28,000-sq.-ft. store that shares this suburban Hartford, Conn., shopping center—owned by

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